



# NATIONAL GRANGE OF THE ORDER OF PATRONS OF HUSBANDRY

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*American Values. Hometown Roots.*

Received & Inspected

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FCC Mail Room

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

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Re: WC Docket No. 11- 42, Lifeline and Link-Up Reform and Modernization

Dear Secretary Dortch:

The National Grange has always been a vocal proponent of the Universal Service Fund (USF), and applauds the efforts of the FCC to continue the USF's critical mission of providing affordable telephone service to every American. We support policies that foster a competitive marketplace for faster and more reliable Internet access. As you know, rural Americans are among the most underserved consumers of high-speed broadband Internet. We are pleased to offer public comment on the Federal Notice of Proposed Rule Making to modernize the Lifeline program.

Families without Internet access in their homes or in local schools or libraries face a disadvantage that may perpetuate a cycle of poverty – adults cut off from the Internet miss out on job opportunities and resources, while kids have a harder time completing their homework, hampering success in school and beyond. Of the 19 million Americans who lack broadband access – defined as 4 megabits per second (mbps) download speed, 1 mbps upload – the FCC estimates that 14.5 million live in rural areas,<sup>1</sup> where Internet providers do not offer service because "there is no business case to offer broadband," according to FCC.

In the 2013 report, "Rural Broadband Availability and Adoption," researchers found that broadband adoption rates are 13 percent lower in rural America than in cities, with non-users citing high cost and the belief that they don't need to be online<sup>2</sup>. But when rural residents use broadband, there are economic benefits. That same study found that rural counties where over 60 percent of people used broadband had more rapid income growth and slower unemployment growth than similar counties with fewer people online.<sup>3</sup> All this data demonstrates why we support modernization efforts that would include USF for broadband.

<sup>1</sup> FCC's Eighth Broadband Progress Report, (August 2012) <https://www.fcc.gov/reports/eighth-broadband-progress-report>

<sup>2</sup> "Rural Broadband Availability and Adoption," Dr. Sharon Strover, University of Texas; Dr. Roberto Gallardo, Mississippi State University; Dr. Brian Whitacre, Oklahoma State University (September 11th, 2013) <http://www.farmfoundation.org/news/articlefiles/1866-Sharon%20Strover.pdf>

<sup>3</sup> Ibid

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While we support modernization, we have some concerns over proposed changes to how the program would work. To modernize the Lifeline system, some have recommended a voucher or a PIN system allowing consumers to get access to voice telecommunications service or broadband.

Currently Lifeline customers enroll in the program, select a provider and then receive their minutes or discount automatically each month for so long as they remain enrolled. Under a voucher-based system we are concerned that the burden will be put on the recipients who, once they are certified as qualified to participate in the Lifeline program, will need to separately go to a provider to obtain the service on a monthly basis. Such changeover will be particularly disruptive for the 12 million current recipients whose participation in the program has been predicated upon the ease of getting their benefits automatically. Also, we are especially concerned about how this would burden rural consumers. These consumers like the current system. Replacement of that system with a voucher or PIN-based system would require them to travel long distances each month in order to redeem their vouchers or other media. This would be very burdensome for rural consumers, and especially for rural senior citizens. The elderly population in rural areas already face challenges from isolation, being further burdened with another monthly chore that may require transportation would be a challenge.

If the FCC moves Lifeline to a voucher-based system, it should at a minimum implement the change on a trial basis in a limited number of states in order to collect data on the new system's impact on program participation as well as the likelihood for maintaining the integrity of the program.

We are also concerned that to finance meaningful broadband support at levels sufficient to get a substantial portion of the low-income population online, the Commission may need to conduct further review of the subsidy amount. Once an amount is set, we recommend re-evaluating the subsidy amount frequently to ensure that it provides a relevant amount to support Lifeline participants.

One last question is whether this plan would make low-income consumers choose between having Lifeline supported phone service or using the subsidy for broadband. This is not a choice that low-income consumers should have to make. The FCC may want to look into whether a separate broadband subsidy program should be set up that would be in addition to the one for phones.

Cost is often cited as one of the most important reasons households do not have, or lose, their broadband subscriptions.<sup>4</sup> The federal Lifeline program can alleviate this costly burden. We urge you to modernize the Lifeline program this year to include broadband and ensure that all people in the U.S. have fair access to modern and essential communications services. We believe that modernizing Lifeline and including broadband will help Rural Americans close the digital divide.

Sincerely,



Edward Luttrell

President, National Grange of the Order of Patrons of Husbandry

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<sup>4</sup> Aaron Smith, Pew Research Center, *U.S. Smartphone Use in 2015* (April 2015).